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Item 7 of the agenda of the Budgetary and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE BY THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Edelana M. CUAYO (Philippines)

CHAPTER II. UNITED NATIONS POPULATION FUND

91/__. United Nations Population Fund: Budgetary and financial matters

The Governing Council,

Having considered the biennial budget estimates for the administrative and programme support services for the 1990-1991 biennium and budget estimates for the 1992-1993 biennium (DP/1991/36 and Corr.1-4), the note by the Executive Director on UNFPA's Reserve for Field Accommodation (RFA) (DP/1991/36/Add.1), the report of the Executive Director on UNFPA publications (DP/1991/37), the annual financial review, 1990 (DP/1991/38), the audit reports (DP/1991/39) and the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1991/40),

Having taken into account the views and comments of members of the Governing Council on the documentation before it,

Recalling its decisions 89/49 of 30 June 1989 and 90/36 of 22 June 1990,

1. Notes the steps which the Executive Director has taken, or is taking, within her competence to implement previous recommendations of the

Board of External Auditors in response to paragraph 13 (a) of General Assembly resolution 45/235 of 21 December 1990;

2. Takes note of the audit reports (DP/1991/39) and the comments made thereon by delegations;

3. Also takes note of the annual review of the financial situation, 1990 (DP/1991/38) and the comments made thereon by delegations, in particular with reference to the need to strengthen further the financial management of the United Nations Population Fund;

4. Further takes note of the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the 1990-1991 revised budget estimate proposals and in particular its comment that supplementary appropriations should not be requested in the middle of a biennium to expand existing activities;

5. Decides that requests for revised budget estimates should be limited to mandatory increases, defined as those aspects which are beyond management control, i.e., exchange rate fluctuations, statutory salary increases, and, in exceptional cases, unanticipated rent increases, additional staff entitlements approved for the common system and other unforeseen cost increases for existing United Nations Population Fund offices;

6. Approves, on an exceptional basis, the request of the Executive Director for $1.3 million for the rental and renovation of premises in the revised 1990-1991 budget estimates;

7. Also approves appropriations in the amount of $89,457,200 gross to be allocated from resources indicated below to finance the revised 1990-1991 biennial budget for administrative and programme support services, and agrees that the overhead credits available to the United Nations Population Fund in the estimated amount of $4 million and the miscellaneous income from trust funds for support services in the amount of $500,000 shall be used to offset the gross appropriations, resulting in net appropriations of $84,957,200 as indicated below:

1990-1991 revised biennial budget

(Thousands of United States dollars)

Programme	Appropriations
Executive direction and management	4 797.1
Administration and information and external relations services	25 737.5
Programme planning, appraisal and monitoring	22 640.5
Field programme support	36 282.1
Total gross appropriations	89 457.2
Less: Estimated credits and income	4 500.0
Total net appropriations	84 957.2

8. Takes note with concern that the share of United Nations Population Fund resources to be allocated to the budget for administrative and programme support services continues to increase for the biennium 1992-1993 also and requests the Executive Director to give full consideration to this matter in formulating future budgets and in particular the 6 per cent rate of growth noted in the work plan;

9. Approves the establishment, in the budget for administrative and programme support services for the biennium 1992-1993, of seven new regular international professional field posts, comprising six new Country Director posts at the P-5 level (the posts for the Democratic People's Republic of Korea, Ecuador, Honduras, Mauritania, Myanmar, the Syrian Arab Republic) and one new International Officer post at the P-3 level (for Fiji), as well as 90 new regular local posts comprising 19 National Programme Officers and 71 other local General Service posts;

10. Also approves the establishment at headquarters in the budget for administrative and programme support services for the 1992-1993 biennium of five Professional posts and five General Service posts as follows: (a) one General Service post at the G-4 level for the Resource Development Unit; (b) one Professional post at the P-3 level for the Information and External Relations Division; (c) one Professional post at the P-3 level and one General Service post at the G-4 level for the Personnel Branch; (d) two General

Service posts at the G-6 level for the Finance Branch; (e) one Professional post at the P-4 level for the Management Information Systems Unit; (f) one Professional post at the P-3 level for the Training and Coordination Unit; (g) one General Service post at the G-4 level for the Planning and Statistics Unit; and (h) one Professional post at the P-4 level for the Maternal and Child Health Branch;

11. Requests that the United Nations Population Fund report to the Governing Council at its fortieth session (1993) on administrative cost savings resulting from the development of management information systems, especially with regard to reductions in General Service staff levels;

12. Agrees with the rationale set forth by the Executive Director in document DP/1991/37 for determining whether a particular publication of the United Nations Population Fund should be funded under the budget for administrative and programme support services or under programme resources, and as recommended by the Advisory Committee on Administrative and Budgetary Questions, approves its inclusion in the 1992-1993 appropriation, as requested;

13. Recognizes in principle the need to establish an internal audit unit within the United Nations Population Fund and accordingly decides, as a first step, to strengthen the capacity of the United Nations Development Programme Division for Audit and Management Review by providing a dedicated section to support the internal audit functions of the United Nations Population Fund by adding two Professional posts at the P-5 and P-4 level and one General Service post at the G-4 level for the 1992-1993 biennium; and decides also that specific proposals for the transfer of the function to the United Nations Population Fund be developed in close consultation with the Board of External Auditors and the Advisory Committee on Administrative and Budgetary Questions and be submitted to the Governing Council in due course. This arrangement will be subject to normal cost reimbursement arrangements with the United Nations Development Programme;

14. Approves appropriations in the amount of $110,610.8 gross to be allocated from resources indicated below to finance the 1992-1993 biennial budget for administrative and programme support services, and agrees that the overhead credits available to the United Nations Population Fund in the estimated amount of $6 million and the miscellaneous income from trust funds for support services in the amount of $500,000 shall be used to offset the gross appropriations, resulting in net appropriations of $104,110.8 as indicated below:

1990-1991 revised biennial budget

(Thousands of United States dollars)

Programme	Appropriations
Executive direction and management	5 426.3
Administration and information and external relations services	30 781.0
Programme planning, appraisal and monitoring	26 178.5
Field programme support	48 225.0
Total gross appropriations	110 610.8
Less: Estimated credits and income	6 500.0
Total net appropriations	104 110.8

15. Decides to convert two temporary Professional posts at the P-5 and P-3 levels to established posts of the budget for administrative and programme support services for 1992-1993 for the Management Information Systems Unit;

16. Authorizes the Executive Director to transfer credits between programmes within reasonable limits, with the concurrence of the Advisory Committee on Administrative and Budgetary Questions, for the bienniums 1990-1991 and 1992-1993 and requests her to report thereon to the Governing Council;

17. Approves the establishment of a Reserve for Field Accommodation at the level of $5 million for the biennium 1992-1993 and authorizes the Executive Director to make drawdowns from it for the purpose of financing the United Nations Population Fund share of construction costs of common premises under the auspices of the Joint Consultative Group on Policy;

18. Recommends to the General Assembly, through the Economic and Social Council, that, as proposed in annex 2 of document DP/1991/36, and as agreed to by the Advisory Committee on Administrative and Budgetary Questions, formal authority in matters of United Nations Population Fund personnel be delegated to the Executive Director by the Secretary-General;

19. Decides that the level of the operational reserve should be set at 20 per cent of general resources income for each year of the United Nations Population Fund work plan and decides to review the level of the operational reserve every other year.